GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1524
ANSWERED ON:27.11.2007
EXPORT OF LEATHER
Badiga Shri Ramakrishna

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Andhra Pradesh has been chosen as one of the States to set up an Integrated Leather Park in the country;

(b) if so, the details thereof;

(c) whether United States is very rapidly emerging as a good leather market in the world;

(d) if so, the details thereof;

(e) the total quantity of leather and leather products exported to US during the last three years and India's share in the US leather market; and

(f) the details of the strategy adopted to compete with China in leather export to United States?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) & (b): Yes Sir, Union Government appraised a proposal for setting up of Leather Complex at Nellore. The total project cost is Rs. 144 crore. Govt. of India assistance would be limited to 20% of the cost of common infrastructure subject to ceiling of Rs. 29 crore.

(c) & (d): The United States is the world's largest market for leather & leather products, accounting for a share of 23.12% of the total global leather & leather products import trade. The United States import of leather & leather products had grown at a Compounded Annual Growth Rate of 3.50 % from 2001 to 2005.

(e): USA's Import of leather & leather products vis-Ã -vis India's export and its share during the last three years are as under:-

(Value in Million US$)			
Details	2003	2004	2005
USA's Import	21155.55	22386.45	24067.92
India`s Export	251.58	290.42	318.36
% Share of India	1.19%	1.30%	1.32%

Source: ITC, Geneva
DCGI& S, India

(f): In order to compete with China in leather export to United States the leather sector would need to achieve price competitiveness ,economy of scales, technology up gradation and design development. In order to make Indian Leather Industry competitive in the global market Union Government has prepared a perspective plan with emphasis on Infrastructure Development, Capacity Building & Human Resource Development, Investment Promotion and Environmental Issues for the industry for 11th Plan Period.